

UNITED STATES CIVIL SERVICE COMMISSION  
Washington 25, D. C.

May 6, 1960

DEPARTMENTAL CIRCULAR NO. 1024 SUPPLEMENT NO. 12

TO HEADS OF DEPARTMENTS AND INDEPENDENT ESTABLISHMENTS

SUBJECT: Federal Employees Health Benefits Program: Accounting Procedures for Withholdings and Contributions and Procedures for Processing Documents to Carriers.

The "Accounting and Reporting Principles" attached to Departmental Circular No. 1024, Supplement No. 4, dated February 9, 1960, are hereby superseded by the attached instructions. As stated in Supplement No. 4, the principles represented only tentative thinking and were subject to change.

The attached procedures concerning withholdings, contributions, reporting, and accounting are approved by the Comptroller General of the United States for use by all agencies, under authority vested in him by Section 112 of the Budget and Accounting Procedure Act of 1950. These procedures will be incorporated in the Federal Personnel Manual as part of Chapter I-5 and, to the extent necessary, in Title 6 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies. These instructions where they refer to annuitants and survivor annuitants are addressed to agencies and offices administering retirement systems, including the Federal Employees' Compensation System.

Draft copies of the following Standard Forms are attached to these procedures. Minor changes may be made in the forms as finally printed.

Standard Form No. 2810, Notice of Change in Enrollment Status (4 part snap out form)

1. Face page
2. Back of original only
3. Back of quadruplicate only

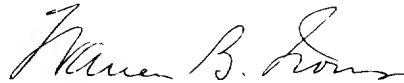
Standard Form No. 2811, Transmittal and Summary Report to Carrier (single sheet)

Standard Form No. 2812, Report of Withholdings and Contributions (single sheet)

! (Copy of Standard Form No. 2809, Health Benefits Registration Form, was attached to Departmental Circular No. 1024, Supplement No. 8.)

A distribution of an initial supply of these forms will be made in accordance with Departmental Circular No. 1024, Supplement No. 9. Standard Form No. 2811 will be used in connection with the initial registration if copies are available. If a payroll office should fail to receive an initial supply, a letter of transmittal will be used reflecting data required by the form except those in Part B, Summary Report of Number of Enrollees.

These instructions should be brought to the attention of payroll, finance and disbursing officers as soon as possible. If information or assistance is needed, it may be obtained in the Washington Metropolitan Area by calling Code 129, Extension 3391.



Warren B. Irons  
Executive Director

Attachment

## PART 1

PAYROLL OFFICE RELATIONSHIP  
WITH CARRIERS

## A. GENERAL

Payroll offices in an agency are assigned the responsibility of maintaining the day-to-day contacts with carriers relative to the names and the number of enrollees under a carrier's Health Benefits Plan. The processing of payroll deductions and the certification of eligibility for benefits have certain similarities yet the two operations should not be regarded as duplicating each other because of the inherent differences.

Payroll records are maintained for the purpose of insuring accurate and timely salary, compensation, and annuity payments to employees and annuitants. Processing of withholdings and agency contributions to cover subscription charges under the Health Benefits Program are an incidental part of this operation. Carrier records are maintained for the purpose of identifying those employees and annuitants enrolled in the plan who are eligible for service or benefit claims. Besides the fundamental difference in purpose of the two sets of records, withholdings and agency contributions are not processed in payroll operations for employees in nonpay status up to 365 continuous days. However, the nonpay status of the employee has no effect on the records of the carrier until the employee has completed 365 days of continuous nonpay status.

The number of enrollees under a carrier's plan must be reconcilable between these two sets of records.

## B. PAYROLL OFFICE NUMBER

Payroll office numbers will be used by carriers to identify the agency and location having withholding and reporting responsibility for enrollees under their plans. "Payroll office numbers" are 8 digit numbers composed of two components: (1) first 2 (two) digits representing the agency designation of their appropriation symbol and (2) last 6 (six) digits representing the number assigned to the particular office as confirmed to the Commission. A directory of payroll offices for each agency to be maintained by the Commission must be kept current through agency notification of any changes to the U. S. Civil Service Commission, Bureau of Retirement and Insurance, Washington 25, D. C.

## C. HEALTH BENEFITS REGISTRATION FORM

Standard Form No. 2809

The duplicate (carrier) copy of Standard Form No. 2809 for all enrollment elections of eligible employees or annuitants (except elections not to enroll) as approved by an authorized agency official

will be processed by the payroll office for transmission to the applicable carrier.

The payroll office will verify that the "Effective Date of Election" is supported by payroll records. For example, the effective date of an election to enroll or change enrollment must be the first day of a pay period and to cancel enrollment, the last day of a pay period.

Upon assurance that payroll action will be taken as of the effective date of election, the duplicate copy will be initialed and dated in Part F, item 5. The preparation of Standard Form No. 1126 (or equivalent payroll change action) will constitute sufficient assurance to release the duplicate copy to the carrier. (See E of this part for instructions covering Standard Form No. 2811 and the transmittal of Standard Form No. 2809 to carriers.)

#### D. NOTICE OF CHANGE IN ENROLLMENT STATUS

##### Standard Form No. 2810

Standard Form No. 2810 will be prepared by an employing office for all enrollment actions not covered by Standard Form No. 2809. However, when an enrollee changes enrollment from one carrier to another (by filing a new Standard Form No. 2809) a Standard Form No. 2810 must also be sent to the carrier of the plan in which enrollment is being terminated.

The payroll office will receive both the duplicate (carrier) copy and the triplicate (payroll office) copy of Standard Form No. 2810, generally with a Notification of Personnel Action, Standard Form No. 50. The payroll office will check all pertinent data on the Standard Form No. 2810 against the payroll records.

The preparation of Standard Form No. 1126 (or equivalent payroll change action) will constitute sufficient assurance to initial, date, and release the duplicate copy to the carrier. (See E. of this part for instructions covering Standard Form No. 2811 and the transmittal of Standard Form No. 2810 to carriers.)

#### E. TRANSMITTAL AND SUMMARY REPORT TO CARRIER

##### Standard Form No. 2811

##### Purpose of Standard Form No. 2811

This multi-purpose form will be used by payroll offices to transmit Standard Form No. 2809 and Standard Form No. 2810 to carriers under a controlled reporting system. A perpetual inventory of the total enrollees covered by the carrier for the payroll office will be shown on each Standard Form No. 2811 without regard to the type of pay period. In addition, the total number of enrollees covered by the carrier will

be reported quarterly by enrollment code number. Standard Form No. 2811 will establish the basis for reconciliation of agency payroll records and carrier enrollment records.

#### Preparation of Standard Form No. 2811

The payroll office will prepare an original and two copies of Standard Form No. 2811 to cover the transmittal of carrier copies of health benefits forms accumulated for no longer than one week. (However, during the initial enrollment period, Standard Form No. 2809 authenticated during any one day should be transmitted at the close of business that day.) Transmittal of Standard Forms No. 2809 and 2810 will not be delayed to coincide with applicable payroll deductions.

#### Report Number

The "Report Number" will begin with the number 1 (one) for the first transmittal to a carrier in a calendar year; number 2 for the second transmittal, etc. A new series of numbered transmittals starting with the number 1 (one) will begin with the first transmittal in the next calendar year. Carriers will generally batch the Standard Forms No. 2809 and 2810 by the "Report Number".

#### Carrier Address and Code

Carrier addresses are in Appendix A attached to these instructions. The "Carrier Code" will be first two digits of the enrollment code number. For example, the first two digits of the Government-wide Indemnity Benefit Plan enrollment code number are 20 and the carrier address is Aetna Life Insurance Co., FEHBA - Group Division, 151 Farmington Avenue, Hartford 15, Connecticut.

#### Transmittal of Forms

The number of documents being transmitted will be placed in the spaces provided.

#### Changes in Number of Enrollees

The purpose of this section is to provide a means of timely reconciliation of the changes and the total number of enrollees in the carrier's enrollment records with the payroll office records.

Standard Forms No. 2809 and 2810 will be arranged so that additions and deletions to the total enrollment may be easily determined since some of the documents transmitted may cover enrollment actions which neither add to nor subtract from the total number of enrollees covered by the carrier. For example, a Standard Form No. 2809 may provide for a change from individual to family enrollment or a Standard Form No. 2810 may require only a change in name. The number of enrollees brought

forward from the previous report will be adjusted to the new number of enrollees covered by the carrier.

The payroll office will verify the number of "Enrollees covered by this report" with payroll records at least monthly or at more frequent intervals determined necessary to maintain the accuracy of this perpetual inventory. Care should be exercised to recognize those enrollees in non-pay status where no withholding is made but the enrollment with the carrier is not affected. If in reconciling it is found that an error in reporting has occurred on the basis of documents previously transmitted, an adjustment will be made to the total on the "Adjustment" line. An explanation will be made in "Remarks" with reference to the Report Number of the report being adjusted. If in reconciling it is found that Standard Forms No. 2809 or 2810 have inadvertently been omitted from both transmission and reporting, the inclusion of such forms in a subsequent transmittal and summary report will not be classified as adjustment.

Carriers will use the "Remarks" section of the duplicate copy to be returned to the payroll office to report any discrepancies. Payroll offices are urged to handle expeditiously any discrepancies brought to their attention either through their own reconciliation processes or by carriers.

#### Distribution of Copies

The original and duplicate will be transmitted to the carrier supported by carrier copies of Standard Forms No. 2809 and 2810. The triplicate will be held by the payroll office supported by the payroll office copies of these forms. The Report Number of the applicable Standard Form No. 2811 will be inserted in the lower right hand corner of the carrier and payroll office copies of Standard Forms No. 2809 and 2810. The carrier will return the duplicate Standard Form No. 2811 with new ID cards (and/or other evidence of enrollment) which should be matched against the Standard Forms No. 2809 and 2810 held. Follow-up is required on any action not acknowledged by a carrier within three weeks.

Distribution of ID cards to enrollees will be accomplished in the most effective manner.

The payroll office copies of Standard Forms No. 2809 and 2810 will be filed as any other payroll action document following receipt of acknowledgment from the carrier.

#### Summary Report of Number of Enrollees

Quarterly, as of the last payroll paid in March, June, September and December, the number of enrollees from whom withholdings were made

will be reported by the last digit of the enrollment code number for the payroll payment date nearest the end of the calendar quarter. The number of enrollees from whom no deductions were made at the payroll date will also be reported. These data may be included on the first Standard Form No. 2811 submitted after the data becomes available but in no event later than the 5<sup>th</sup> of the month following the end of the calendar quarter. A Standard Form No. 2811 used as a Quarterly Report only will bear a Report Number in the proper numeric sequence.

The summary report prepared quarterly will combine enrollees paid for different pay periods so long as the payment dates of the rolls are nearest (but not after) the end of the quarter. For example, in a payroll office maintaining bi-weekly, weekly, monthly and semi-monthly payrolls or any combination of these rolls, the total number of enrollees may not necessarily represent the total enrollees as of one calendar day. (Preparation of these statistics as of one common calendar day was not deemed a reasonable request of payroll offices.)

This quarterly report will be used by the carriers to compare their file of enrollees by option and type of coverage. It is assumed, due to documents in transit and minor administrative errors on the part of both payroll offices and carriers, that exact agreement between the payroll office report and the carriers records may not always be achieved. However, carriers have been informed that significant differences must be investigated. Carriers that use mechanical equipment for maintaining their file of enrollees will furnish listings of enrollees to the payroll office with which they find significant differences. Payroll offices and carriers are urged to cooperate to the greatest extent possible to bring the number of enrollees into reconcilable agreement.

## PART 2

### WITHHOLDINGS AND CONTRIBUTIONS

#### A. WITHHOLDINGS

Withholdings will be made for each pay period an employee or annuitant receives any salary, compensation, or annuity while enrolled in a health benefits plan. The amount to be withheld is determined by the rate applicable to the enrollment code number of the plan elected by the employee or annuitant as shown on the Health Benefits Registration Form, Standard Form No. 2809. The Schedule of Subscription Charges for all plans, options and types of coverage (identified by enrollment code number) will be furnished later.

The full withholding will be made for each pay period even if an employee or annuitant is in pay status for only a part of such period. If the amount of salary or annuity is not sufficient to cover the full withholding no withholding will be made. In determining the sufficiency to cover a full withholding, deductions for retirement, FICA tax and Federal income tax have priority over health benefits deductions. Group life insurance deductions follow health benefits deductions in order of priority.

Where an employee is in nonpay status for an entire pay period, no withholding to cover that pay period will be made from future salary payments nor will the employee deposit the amount which would have been withheld if he had been in a pay status during that period.

Where an employee is retroactively restored to duty with pay after an erroneous suspension or removal, his enrollment must be reinstated to the same extent and effect as though such suspension or removal had not taken place. Payroll withholdings for the period of suspension or removal must be made from the retroactive pay adjustment.

If an employee who is eligible to continue enrollment transfers within a pay period from one agency or payroll office to another agency or payroll office without a break in service of more than three days, the losing office will adjust the withholding from the final pay to an amount which will most nearly cover the period from the last full withholding to the date of transfer. Adjustments will not be made at rates less than the weekly rate quoted in the Schedule of Subscription Charges. A full weekly withholding will be required where four or more calendar days are involved. A losing agency will not withhold for less than four calendar days because the gaining agency will withhold an amount which will cover these days under the four-day rule. For example, if an employee transfers as of the close of business on Wednesday within the first week of a biweekly pay period starting on Sunday, the losing agency will withhold a weekly subscription charge and the gaining agency will start payroll deductions with the following week. Another example: if an employee transfers as of the close of business on the 13th of the month while



in a monthly pay period starting the first of the month, the losing agency will withhold a semimonthly subscription charge and the gaining agency will start withholdings at a rate which will most nearly cover the calendar days from the close of business on the 15th to the beginning of a regular pay period using the rule of not less than a weekly rate for four days or more.

If an employee retires, i.e. "transfers" to a retirement system, and is eligible to continue enrollment as an annuitant, the losing agency will withhold, subject to the four-day rule previously stated, an amount which will most nearly cover the period from the last full withholding to the date of separation for retirement. Withholdings will be made by the office authorizing payment of the annuity beginning with the effective date of the annuity.

The withholdings required from enrolled survivor annuitants will be made from the annuity of the surviving spouse, if any. If that annuity is less than the withholding required, the annuity of the youngest child will be withheld to the extent necessary, and, if necessary, the annuity of each next older child, in succession, until the withholding is satisfied.

The effective date of terminations of enrollment is set by regulation as the end of a pay period in order to facilitate processing of full pay period deductions and the notification to carriers of the enrollment action.

#### B. CONTRIBUTIONS

The amount to be contributed by an agency from its appropriations or other funds available for this purpose is determined by the rate applicable to the enrollment code number elected by the employee or annuitant as shown in the Schedule of Subscription Charges.

#### C. EFFECTIVE DATE OF MAKING WITHHOLDINGS AND CONTRIBUTIONS

Payroll offices will make withholdings and applicable agency contributions beginning with the pay period in which an employee's enrollment is effective. Suspension, termination or adjustment of withholdings and agency contributions will, insofar as possible, be made in the pay period following the effective date of the action.

#### D. DISPOSITION OF MONEYS

Payroll withholdings and agency contributions are required to be deposited to the credit of the Employees Health Benefits Fund, U. S. Civil Service Commission. The technique of courtesy deposit or direct credit to the Fund through Treasury Department disbursing officers will not be used in the Health Benefits Program. Checks drawn payable to the U. S. Civil Service Commission, supported by the original of Standard Form No. 2812, Report of Withholdings and Contributions, will be the basis for credit to the Fund.

1. Report of Withholdings and Contributions (Standard Form No. 2812)

Standard Form No. 2812 is required by the Commission to determine the amount due the respective carriers represented by the enrollment code numbers.

Payroll offices will submit one original Standard Form No. 2812 as of the end of each pay period, separately for:

- (a) Biweekly pay periods
- (b) Weekly pay periods
- (c) Monthly pay periods
- (d) Semimonthly pay periods.

Withholdings and agency contributions for different types of pay periods will not be combined for reporting purposes as of any reporting date. For example, withholdings and contributions from weekly payrolls should not be included in a biweekly report even though the beginning or ending date may coincide. If one person in the payroll office is paid semimonthly and all others biweekly, a separate report will be submitted covering that one person. Where no adjustments are included, the amount reported by pay period for each enrollment code must be divisible by the appropriate rate to represent the number of enrollees from whom deductions were made; however, adjustments will not be reported separately. Reports covering withholdings and contributions from a supplemental payroll will be reported in terms of the employees' regular pay period but noted as supplemental.

The "Report Number" will be in numeric sequence starting with the number 1 (one) for the first report in 1960. This series will be continued through the last pay period for which payment is made during that calendar year and a new series will be started with number 1 with the first pay period for which payment is made in the next calendar year.

The amounts reported in the column headed "Total Withholdings and Agency Contributions" will be the sum of the payroll withholdings and agency contributions applicable to each enrollment code number for all enrollees payrolled by the payroll office for the pay period shown in the heading. If the payroll office processes more than one "payroll" during a given pay period, the withholdings and agency contributions will be summarized for reporting purposes on a single report for the pay period with one check covering all withholdings and contributions during that pay period issued to the Commission.

The total of withholdings and agency contributions as distributed by enrollment code number must equal the amount of the payment to the Commission for deposit to the Fund, distributed by source: (1) Withholdings and (2) Agency Contributions, except for retirement systems administered by other than the Civil Service Commission.

Agencies administering retirement systems other than the Civil Service Retirement System for which contributions are required will submit two Standard Forms No. 2812: (1) withholdings from annuity payments by enrollment code number and (2) contributions necessary to cover the full subscription charge by enrollment code number. The Standard Form No. 2812 covering withholdings will be accompanied by a check for the amount of the withholdings only and by an original and one copy of Standard Form No. 2812 covering the contribution share. The latter will be processed in the Commission as a charge to 24 x 0204, Government Payment for Annuitants, Employees Health Benefits Fund, Civil Service Commission. The amount of the contribution will not be accounted for as an expense to the retirement system making the withholding from annuity.

The disbursing officer processing the payment will record the number and date of the check in the space provided. The Voucher No.(s) of the voucher or vouchers which support the issuance of the check will be recorded by the payroll office in the space provided.

Payroll offices will furnish the disbursing officer with Standard Form No. 2812 in sufficient time to issue a check to the U. S. Civil Service Commission as of the same day the payroll checks are dated. The check and supporting Standard Form No. 2812 will be mailed by the disbursing officer to the United States Civil Service Commission, Bureau of Retirement and Insurance, Collection Section, Washington 25, D. C.

## 2. Quarterly Report of Number of Enrollees

Quarterly, as of the last payroll paid in March, June, September and December, for which a Standard Form No. 2812 is submitted, the number of enrollees from whom withholdings were made will also be reported in the column provided. The number of enrollees should not include more than once an enrollee for whom, because of some special circumstance, more than one payroll deduction has been made in the payroll period. The number of enrollees on leave without pay and from whom no payroll withholdings were made will also be reported in the column provided for this purpose.

## E. ADJUSTING ERRORS

Where amounts have been erroneously deducted from the salary, compensation or annuity of an employee or annuitant who has cancelled or otherwise terminated coverage, adjustment of the erroneous payroll withholding and agency contribution will be made on a subsequent payroll on which his name appears.

Where an incorrect rate or failure to withhold results in an error in payroll, withholding and/or agency contribution, adjustment will likewise be made on a subsequent payroll on which the enrollee's name appears.

Where an adjustment in payroll withholding and/or agency contribution is necessary in the case of a separated enrollee, it will be made on the final payment to the individual, or to his beneficiary or estate.

Care must be taken to see that not only the regular (current) payroll withholdings but also the adjustments are shown as health benefits deductions on the individual's payroll or annuity record.

Care must also be exercised to assure the adjustments of the proper appropriation in those instances where annual appropriations are involved and there is a change in fiscal years in the interval between the processing of the erroneous withholding and/or contribution and the processing of the adjustment.

#### F. PAYROLL RECORDS

Payroll offices will maintain payroll records which comply with the requirements prescribed by the Comptroller General of the United States in Title 6, GAO Manual for Guidance of Federal Agencies, and provide for the payroll deductions authorized by an enrollee under a Federal Employees Health Benefits Plan. The payroll records should be maintained in such manner as to provide for prompt and accurate reporting on Report of Withholdings and Contributions, Standard Form 2812.

Individual payroll records will be noted for the following items relative to the employee's or annuitant's election regarding the Federal Employees Health Benefits Program:

1. ELECTION TO ENROLL: Effective date of election; Carrier's Control Number; Enrollment Code Number and applicable withholding rate.
2. ELECTION NOT TO ENROLL: Date of election; Carrier's Control Number.
3. ELECTION TO CANCEL ENROLLMENT: Effective date of election.
4. CHANGE IN ENROLLMENT: Effective date of change; New Carrier's Control Number (if changed); new Enrollment Code Number and applicable withholding rate.

The agency contribution will be accounted for in such manner as to assure accuracy in the agency contribution by each Enrollment Code Number for which employees' and annuitants' withholdings are made.

STANDARD FORM NO. 2810 CHAPTER I-5 F.P.M.	NOTICE OF CHANGE IN ENROLLMENT STATUS FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1959	6 GAO 5000
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A. IDENTIFYING DATA

1. NAME (LAST) (FIRST) (MIDDLE INITIAL)	2. DATE OF BIRTH	3. CARRIER CONTROL NO.
4. ADDRESS (NUMBER AND STREET)	5. PAYROLL OFFICE NO.	6. ENROLLMENT CODE NO.
(CITY AND ZONE NUMBER) (STATE)	7. DATE ACTION BECOMES EFFECTIVE	

B. TERMINATION

<input type="checkbox"/> YOUR ENROLLMENT IN A HEALTH BENEFITS PLAN TERMINATES, EFFECTIVE ON THE DATE SHOWN IN ITEM 7, ABOVE. YOU ARE ELIGIBLE TO CONVERT TO INDIVIDUAL CONTRACT. (SEE OTHER SIDE FOR INFORMATION ON TEMPORARY EXTENSION AND CONVERSION)
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C. CHANGE IN PLAN

<input type="checkbox"/> YOUR ENROLLMENT HAS BEEN CHANGED TO ANOTHER PLAN IN ACCORDANCE WITH YOUR RECENT ELECTION.
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D. TRANSFER

<input type="checkbox"/> YOUR ENROLLMENT IN A HEALTH BENEFITS PLAN WILL BE TRANSFERRED TO: EMPLOYING OFFICE (OR RETIREMENT SYSTEM) ADDRESS (SEE OTHER SIDE FOR INFORMATION ON "TRANSFER OF ENROLLMENT") YOUR ENROLLMENT IN A HEALTH BENEFITS PLAN HAS BEEN TRANSFERRED TO THIS OFFICE	<input type="checkbox"/>
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E. SUSPENSION OR REINSTATEMENT

<input type="checkbox"/> YOUR ENROLLMENT IN A HEALTH BENEFITS PLAN HAS BEEN SUSPENDED WHILE YOU ARE ON ACTIVE MILITARY DUTY OR FOR THE REASON STATED IN REMARKS. (SEE OTHER SIDE FOR INFORMATION ON "ENTRY ON ACTIVE MILITARY DUTY")	
YOUR ENROLLMENT IN A HEALTH BENEFITS PLAN HAS BEEN REINSTATED, EFFECTIVE ON DATE SHOWN IN ITEM 7.	<input type="checkbox"/>

F. CHANGE IN NAME

YOUR ENROLLMENT IN A HEALTH BENEFITS PLAN HAS BEEN CHANGED TO:	<input type="checkbox"/>
NAME ADDRESS DATE OF BIRTH	

G. CHANGE IN ENROLLMENT -- SURVIVOR ANNUITANT

YOUR ENROLLMENT IN A HEALTH BENEFITS PLAN HAS BEEN CHANGED TO AN ENROLLMENT FOR SELF ONLY.	<input type="checkbox"/>
NEW ENROLLMENT CODE NUMBER	<input type="checkbox"/>

H. REMARKS

REMARKS
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I. DATE OF NOTICE

SIGNATURE OF AUTHORIZED AGENCY OFFICIAL	DATE	PAYROLL ACTION (INITIAL AND DATE)	SF 2811 REPORT NO.
NAME OF AGENCY	ADDRESS		

ORIGINAL-TO ENROLLEE      DUPLICATE-TO CARRIER      TRIPLICATE-TO PAYROLL OFFICE      QUADRUPPLICATE-TO EMPLOYING OFFICE

TEMPORARY EXTENSION OF COVERAGE

ALTHOUGH YOUR ENROLLMENT TERMINATES ON THE DATE SHOWN IN PART A, ITEM 7 ON THE OTHER SIDE, COVERAGE UNDER YOUR GROUP PLAN WILL BE EXTENDED TEMPORARILY FOR 31 DAYS FROM THE DATE SHOWN. IF YOU OR ANY COVERED MEMBER OF YOUR FAMILY IS CONFINED IN A HOSPITAL ON THE 31ST DAY OF THIS TEMPORARY EXTENSION, THAT PERSON'S BENEFITS MAY CONTINUE FOR THE REST OF THAT CONFINEMENT, BUT NOT BEYOND 60 ADDITIONAL DAYS.

CONVERSION TO INDIVIDUAL CONTRACT

YOU MAY CONVERT YOUR GROUP COVERAGE TO A NONGROUP CONTRACT, WITHOUT EVIDENCE OF GOOD HEALTH. THE NONGROUP CONTRACT TO WHICH YOU MAY CONVERT IS ONE REGULARLY OFFERED BY YOUR PLAN. IT MAY DIFFER FROM YOUR GROUP PLAN IN BENEFITS OR COST, OR BOTH, AND YOU WILL HAVE TO PAY THE ENTIRE COST OF THE NONGROUP CONTRACT DIRECT TO THE PLAN. THE NONGROUP CONTRACT WILL BECOME EFFECTIVE ON THE DAY AFTER YOUR 31-DAY TEMPORARY EXTENSION OF GROUP COVERAGE ENDS.

IF YOU ARE INTERESTED IN CONVERTING TO A NONGROUP CONTRACT, FILL IN THE BOX BELOW AND MAIL THIS FORM TO THE NEAREST OFFICE OF THE HEALTH BENEFITS PLAN IN WHICH YOU HAVE BEEN ENROLLED (SEE YOUR PLAN'S BROCHURE OR ASK YOUR EMPLOYING OFFICE FOR THE ADDRESS OF THE PLAN'S NEAREST OFFICE). THE PLAN WILL PROMPTLY SEND YOU AN APPLICATION FORM AND DETAILS CONCERNING BENEFITS AND RATES OF THE NONGROUP CONTRACT TO WHICH YOU MAY CONVERT.

TO BE ELIGIBLE FOR THE CONVERSION, THIS FORM, WITH THE BOX BELOW COMPLETED, MUST BE RECEIVED BY YOUR PLAN NOT LATER THAN 31 DAYS AFTER THE DATE SHOWN IN PART A, ITEM 7, OR 15 DAYS AFTER THE DATE IN ITEM 1 ON OTHER SIDE, WHICHEVER GIVES YOU MORE TIME.

\_\_\_\_\_  
YOUR SIGNATURE (DO NOT PRINT)

\_\_\_\_\_  
(DATE)

\_\_\_\_\_  
PRINT YOUR ADDRESS IF IT IS DIFFERENT FROM THAT SHOWN IN PART A, ITEM 4 ON THE OTHER SIDE.

TRANSFER OF ENROLLMENT

TRANSFER. IF YOU TRANSFER TO ANOTHER AGENCY OR PAYROLL OFFICE YOUR NEW EMPLOYING OFFICE WILL TAKE THE NECESSARY ACTION TO CONTINUE YOUR ENROLLMENT WHEN YOU ENTER ON DUTY. SHOW THIS FORM TO YOUR NEW EMPLOYING OFFICE AS EVIDENCE OF YOUR ENROLLMENT. HOWEVER, IF YOU ARE IN A COMPREHENSIVE MEDICAL PLAN AND LEAVE THE AREA SERVED BY THE PLAN, YOU MAY HAVE TO REREGISTER IN ANOTHER PLAN WITHIN 31 DAYS.

RETIREMENT. YOUR GROUP ENROLLMENT WILL AUTOMATICALLY BE CONTINUED DURING RETIREMENT IF (1) YOU ARE ENTITLED TO AN IMMEDIATE ANNUITY, AND (2) YOU RETIRE AFTER COMPLETING AT LEAST 12 YEARS OF SERVICE OR FOR DISABILITY, AND (3) YOU HAVE BEEN ENROLLED IN A HEALTH BENEFITS PLAN UNDER THE FEDERAL EMPLOYEES HEALTH BENEFITS ACT DURING ALL OF YOUR SERVICE FROM THE TIME OF YOUR FIRST OPPORTUNITY TO ENROLL OR FOR THE 5 YEARS OF SERVICE IMMEDIATELY PRECEDING RETIREMENT. YOUR SHARE OF THE COST OF YOUR ENROLLMENT WILL BE DEDUCTED FROM YOUR ANNUITY. IF YOU HAVE NOT ALREADY FILED AN APPLICATION FOR RETIREMENT, YOU SHOULD DO SO PROMPTLY IN ORDER TO AVOID ANY QUESTION ABOUT YOUR HEALTH BENEFITS COVERAGE.

DEATH. IF THE DECEASED EMPLOYEE OR ANNUITANT WAS ENROLLED FOR HIMSELF AND FAMILY AND HAD AT LEAST 5 YEARS OF CIVILIAN SERVICE, AND AT LEAST ONE MEMBER OF THE FAMILY IS ELIGIBLE FOR ANNUITY AS THE SURVIVOR OF THE EMPLOYEE OR ANNUITANT, GROUP ENROLLMENT OF EACH FAMILY MEMBER WHO WAS COVERED BY THE ENROLLMENT OF THE DECEASED WILL BE AUTOMATICALLY CONTINUED. IF THERE IS ONLY ONE ELIGIBLE SURVIVOR THE ENROLLMENT WILL BE CHANGED FROM FAMILY TO INDIVIDUAL. THE SURVIVORS' SHARE OF THE COST OF THE ENROLLMENT WILL BE DEDUCTED FROM THE ANNUITY, UNLESS THE ANNUITY IS INSUFFICIENT, IN WHICH CASE THE ENROLLMENT MAY BE CANCELLED. APPLICATION FOR DEATH BENEFITS SHOULD BE FILED PROMPTLY IN ORDER TO AVOID ANY QUESTION ABOUT HEALTH BENEFITS COVERAGE.

EMPLOYEES' COMPENSATION. IF YOU ARE ENTITLED TO COMPENSATION UNDER THE FEDERAL EMPLOYEES' COMPENSATION ACT, YOUR ENROLLMENT WILL BE AUTOMATICALLY CONTINUED WHILE YOU ARE IN RECEIPT OF MONTHLY COMPENSATION AND HELD BY THE SECRETARY OF LABOR TO BE UNABLE TO RETURN TO DUTY. COVERED FAMILY MEMBERS OF A DECEASED EMPLOYEE OR COMPENSATIONER WILL ALSO HAVE THEIR ENROLLMENT AUTOMATICALLY CONTINUED WHILE THEY ARE IN RECEIPT OF MONTHLY COMPENSATION IF THE DECEASED (1) HAD AT LEAST 5 YEARS OF CIVILIAN SERVICE, AND (2) DIED AS A RESULT OF A COMPENSABLE INJURY OR ILLNESS AND (3), IN THE CASE OF A DECEASED COMPENSATIONER, HE HAD BEEN HELD BY THE SECRETARY OF LABOR TO BE UNABLE TO RETURN TO DUTY. THE COMPENSATIONER'S OR SURVIVOR'S SHARE OF THE COST OF THE ENROLLMENT WILL BE DEDUCTED FROM THE MONTHLY COMPENSATION CHECKS. IN ANY CASE THE COMPENSABLE ILLNESS OR INJURY MUST HAVE OCCURRED AFTER THE EFFECTIVE DATE OF THE HEALTH BENEFITS LAW.

ENTRY ON ACTIVE MILITARY DUTY

YOUR ENROLLMENT AND COVERAGE WILL BE SUSPENDED ON THE DATE YOU ENTER ON ACTIVE MILITARY DUTY FOR MORE THAN 30 DAYS IF YOU ARE ENTITLED TO REEMPLOYMENT RIGHTS IN YOUR CIVILIAN POSITION. THE COVERAGE OF THE MEMBERS OF YOUR FAMILY WILL ALSO BE SUSPENDED. YOUR ENROLLMENT WILL BE REINSTATED WITHOUT CHANGE WHEN YOU RETURN TO ACTIVE DUTY IN YOUR CIVILIAN POSITION. HOWEVER, IF YOU RETURN TO A CIVILIAN POSITION UNDER CONDITIONS WHICH DO NOT ENTITLE YOU TO EXERCISE YOUR REEMPLOYMENT RIGHTS, YOU MUST REGISTER AGAIN IN THE SAME MANNER AS A NEW EMPLOYEE.

PURPOSE OF FORM

THIS FORM COVERS HEALTH BENEFITS ACTIONS EXCEPT ENROLLMENTS, CHANGES OF COVERAGE WITHIN A PLAN, AND CANCELLATIONS, ALL OF WHICH ARE PROCESSED ON HEALTH BENEFITS REGISTRATION FORM (SF 2809). WHEN A PERSONNEL ACTION REQUIRES A CHANGE IN HEALTH BENEFITS ENROLLMENT, SF 2810 SHOULD BE PREPARED AS SOON AS THE EFFECTIVE DATE HAS BEEN ESTABLISHED.

TO BE ELIGIBLE TO CONVERT TO NONGROUP CONTRACT, ENROLLEE MUST FURNISH HIS COPY OF THIS NOTICE TO HIS PLAN NOT LATER THAN 31 DAYS AFTER THE DATE SHOWN IN PART A, ITEM 7, OR 15 DAYS AFTER THE DATE SHOWN IN PART I, WHICHEVER GIVES HIM MORE TIME. MAKE IT AVAILABLE AS SOON AS POSSIBLE.

PART A - IDENTIFYING DATA

1. FOR ITEMS 1, 2, 3, AND 6, TRANSCRIBE FROM MOST RECENT SF 2809 OR 2810.
2. ITEM 4, USE MOST RECENT KNOWN ADDRESS.
3. ITEM 5, USE PAYROLL OFFICE NO. OF OFFICE AUTHORIZED TO PROCESS WITHHOLDINGS.
4. ITEM 7, DATE AS FOLLOWS FOR ACTION REPORTED IN:
  - B. TERMINATION--LAST DAY OF PAY PERIOD IN WHICH SEPARATION OCCURS EXCEPT, WHEN COVERAGE TERMINATES BECAUSE OF COMPLETION OF 365 DAYS IN NONPAY STATUS, USE DATE OF 365TH DAY.
  - C. CHANGE IN PLAN--LAST DAY OF PAY PERIOD PRECEDING EFFECTIVE DATE OF ELECTION TO CHANGE PLANS.
  - D. TRANSFER--ACTUAL DATE.
  - E. SUSPENSION OR REINSTATEMENT--ACTUAL DATE.
  - F. CHANGE IN NAME--ACTUAL DATE.
  - G. SURVIVOR ANNUITANT--EFFECTIVE DATE OF SOLE SURVIVOR'S ANNUITY.

PART B - TERMINATION

THESE ACTIONS TERMINATE ENROLLMENT WITH ENROLLEE ELIGIBLE TO CONVERT TO INDIVIDUAL CONTRACT:

SEPARATED  
 RETIRED--NOT ELIGIBLE TO CONTINUE ENROLLMENT  
 DIED--NO SURVIVOR ELIGIBLE TO CONTINUE ENROLLMENT  
 TERMINATION OF TITLE TO ANNUITY OR COMPENSATION  
 TRANSFERRED TO EXCLUDED POSITION  
 EMPLOYMENT STATUS CHANGED TO EXCLUDED CATEGORY  
 365 DAYS NONPAY STATUS COMPLETED

PART D - TRANSFER

USE THIS BOX TO REPORT TRANSFER ACTIONS, SUCH AS:

TRANSFERRED TO (OR FROM) ANOTHER AGENCY-EMPLOYMENT STATUS  
 TRANSFERRED TO (OR FROM) ANOTHER PAYROLL OFFICE  
 RETIRED--TRANSFER TO A RETIREMENT SYSTEM-EMPLOYEE APPEARS ELIGIBLE TO CONTINUE ENROLLMENT AS AN ANNUITANT  
 DEATH-TRANSFER TO RETIREMENT SYSTEM-SURVIVOR APPEARS ELIGIBLE TO CONTINUE ENROLLMENT AS A SURVIVOR ANNUITANT  
 TRANSFERRED TO (OR FROM) FECA COMPENSATION  
 ENROLLMENT CONTINUED BY A RETIREMENT SYSTEM WILL ALSO BE INDICATED IN "REMARKS" BY EMPLOYEE-ANNUITANT, OR SURVIVOR ANNUITANT, AS APPROPRIATE

DISPOSITION

1. ORIGINAL--DELIVER TO EMPLOYEE, ANNUITANT, OR SURVIVOR AT EARLIEST POSSIBLE DATE.
2. DUPLICATE AND TRIPLICATE--SEND TO APPROPRIATE PAYROLL OFFICE.
3. QUADRUPPLICATE--FILE IN OFFICIAL PERSONNEL FOLDER (OR ITS EQUIVALENT) EXCEPT IN CASES OF DEATH OR RETIREMENT REPORTED AS "TRANSFER" TO A RETIREMENT SYSTEM (INCLUDING BUREAU OF EMPLOYEES' COMPENSATION). IN LATTER CASES, SEND ALL OF THE EMPLOYEE'S HEALTH BENEFIT REGISTRATION FORMS (SF 2809) INCLUDING MEDICAL CERTIFICATES ATTACHED THERETO AND THIS QUADRUPPLICATE SF 2810 TO APPROPRIATE PAYROLL OFFICE FOR TRANSMISSION TO AGENCY OR OFFICE ADMINISTERING RETIREMENT OR COMPENSATION SYSTEM.

INSTRUCTIONS TO PAYROLL OFFICES

DISPOSITION

1. DUPLICATE--SEND TO CARRIER ATTACHED TO TRANSMITTAL AND SUMMARY REPORT TO CARRIER (SF 2811) AT EARLIEST POSSIBLE DATE.
2. TRIPLICATE--USE AS PAYROLL ACTION DOCUMENT IF NECESSARY.
3. QUADRUPPLICATE--IN CASES OF DEATH OR RETIREMENT REPORTED AS "TRANSFER" TO CIVIL SERVICE COMMISSION, SEND TO COMMISSION TOGETHER WITH TRIPLICATE COPY OF ALL OF THE EMPLOYEE'S HEALTH BENEFIT REGISTRATION FORMS (SF 2809) INCLUDING MEDICAL CERTIFICATES ATTACHED THERETO, INDIVIDUAL RETIREMENT RECORD (SF 2806) AND ANY OTHER APPLICABLE DOCUMENTS. FOR OTHER RETIREMENT SYSTEMS (INCLUDING BUREAU OF EMPLOYEES' COMPENSATION, DEPARTMENT OF LABOR) SEND THESE DOCUMENTS (OR THE EQUIVALENT) TO THE OFFICE ADMINISTERING THE SYSTEM.

PART E - SUSPENSION OR REINSTATEMENT

STATE IN "REMARKS" REASON FOR ANY ACTION NOT APPLICABLE TO ACTIVE MILITARY DUTY SUCH AS "REINSTATEMENT OF ERRONEOUS SEPARATION".

PART F - CHANGE IN NAME

USE FOR REPORTING CHANGES IN NAME. SHOW DATE OF BIRTH ONLY WHERE NAME CHANGE IS FROM AN EMPLOYEE OR ANNUITANT TO A SURVIVOR ANNUITANT.

PART G - SURVIVOR ANNUITANT

AGENCIES ADMINISTERING RETIREMENT SYSTEMS WILL MAKE THIS DETERMINATION ON THE BASIS OF DOCUMENTARY EVIDENCE THAT THERE IS ONLY ONE SURVIVOR ANNUITANT.

PART H - REMARKS

USE THIS BOX TO BRING TO THE ATTENTION OF THE EMPLOYEE, ANNUITANT, OR CARRIER ANY PERTINENT INFORMATION TO CLARIFY OR SUPPORT THE ACTION BEING TAKEN.

PART I - DATE OF NOTICE

FACSIMILE SIGNATURE IS ACCEPTABLE.

STANDARD FORM NO. 2811 CHAPTER I - 5 F.P.M.	TRANSMITTAL AND SUMMARY REPORT TO CARRIER FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1959	6 GAO 5000
TO (CARRIER'S NAME AND ADDRESS)		PAYROLL OFFICE NO.
CARRIER CODE		REPORT NO.
		DATE OF REPORT

A. TRANSMITTAL

TRANSMITTAL OF FORMS	CHANGES IN NUMBER OF ENROLLEES
STANDARD FORM NO. 2809, HEALTH BENEFITS REGISTRATION FORM	ENROLLEES COVERED LAST REPORT. . . . .
NUMBER OF FORMS ATTACHED. . . . .	ENROLLEES ADDED. . . . .
STANDARD FORM NO. 2810 NOTICE OF CHANGE IN ENROLLMENT STATUS	ENROLLEES DROPPED. . . . .
NUMBER OF FORMS ATTACHED. . . . .	ADJUSTMENT (SEE REMARKS) . . . . .
	ENROLLEES COVERED THIS REPORT. . . . .

B. SUMMARY REPORT OF NUMBER OF ENROLLEES  
(REQUIRED QUARTERLY AS OF THE LAST PAYROLL PAID IN MARCH, JUNE, SEPTEMBER AND DECEMBER)

DESCRIPTION	LAST DIGIT OF ENROLLMENT CODE NUMBER					
	1	2	3	4	5	6
NO. OF ENROLLEES FROM WHOM DEDUCTIONS WERE MADE. . . . .						
NO. OF ENROLLEES FROM WHOM NO DEDUCTIONS WERE MADE. . . . .						
TOTAL. . . . .						

C. CERTIFICATION

FROM (PAYROLL OFFICE NAME AND ADDRESS)	AGENCY
	I CERTIFY THAT DOCUMENTS TRANSMITTED HERewith ADJUST THE PAYROLL RECORDS TO THE BALANCES REPORTED.
	AUTHORIZED OFFICIAL
	CARRIER
	I CERTIFY THAT DOCUMENTS WERE RECEIVED AND CHANGES WERE PROCESSED.
	DATE AUTHORIZED OFFICIAL

D. REMARKS

REMARKS
---------



Standard Form No. 2812  
CHAPTER 1-5 F.P.M.  
6 GAO 5000

# REPORT OF WITHHOLDINGS AND CONTRIBUTIONS FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1959

DEPARTMENT OR ESTABLISHMENT

PAYROLL OFFICE NO	
-------------------	--

REPORT NO.

BUREAU, DIVISION, OR OFFICE

**PAY PERIOD**

ADDRESS

FROM—

TO—

ENROLL-  
MENT  
CODE NO.

**TOTAL WITHHOLDINGS  
AND AGENCY  
CONTRIBUTIONS**

NUMBER OF ENROLLEES <sup>1</sup>

FROM WHOM  
DEDUCTIONS  
WERE MADE

FROM WHOM  
NO DEDUCTIONS  
WERE MADE

ENROLL-  
MENT  
CODE NO.

TOTAL WITHHOLDINGS  
AND AGENCY  
CONTRIBUTIONS

NUMBER OF ENROLLEES<sup>1</sup>

FROM WHOM  
DEDUCTIONS  
WERE MADE

FROM WHOM  
NO DEDUCTIONS  
WERE MADE

TOTAL	\$
-------	----

**\$** **Withholdings**

\$ \_\_\_\_\_ Agency contribution

PAID BY CHECK NO

DATE \_\_\_\_\_

VOUCHER NO(S):

DATE \_\_\_\_\_

<sup>1</sup> Required quarterly as of last payroll PAID in March, June, September, and December.

## APPENDIX A

Attachment 5 to DC 1024, S12(1)

## Carriers and Addresses

under

## Federal Employees Health Benefits Program

## ENROLLMENT CODE NO.

Carrier	Option and Type	Name and Address
10	1 - 6	Blue Cross-Blue Shield Data Center Camp Hill, Pennsylvania
20	1 - 6	Aetna Life Insurance Company FEHBA - Group Division Aetna Life Insurance Company 151 Farmington Avenue Hartford 15, Connecticut
30	1 - 6	American Federation of Government Employees 900 "F" Street, N.W., Room 716 Washington 4, D. C.
31	1 - 6	Federal Postal Hospital Association 3221 Troost Avenue Kansas City 9, Missouri
32	1 - 6	National Association of Letter Carriers 100 Indiana Avenue, N.W. Washington 1, D. C.
33	1 - 6	National Association of Post Office and General Services Maintenance Employees 724 - 9th Street, N.W. Washington 1, D. C.
34	1 - 6	National Federation of Post Office Clerks 817 - 14th Street, N.W. Washington 5, D. C.
35	1 - 6	National Federation of Post Office Motor Vehicle Employees 412 - 5th Street, N.W. Washington 1, D. C.
36	1 - 6	National League of Postmasters of the United States Raleigh Building, Suite 1045 12th and Pennsylvania Avenue, N.W. Washington, D. C.
37	1 - 6	National Postal Clerks Union 918 "F" Street, N.W., Room 608 Washington 4, D. C.

## ENROLLMENT CODE NO.

Carrier	Option and Type	Name and Address
38	1 - 6	National Rural Letter Carriers Association 1040 Warner Building Washington 4, D. C.
39	1 - 6	United National Association of Post Office Craftsmen 413 Colorado Building 14th and "G" Streets, N.W. Washington 5, D. C.
40	1 - 3	American Foreign Service Protective Association 1908 "G" Street, N.W. Washington 6, D. C.
41	1 - 6	Government Employees Benefit Association Room 1C-170 NSA Building Fort Meade, Maryland
42	1 - 6	Government Employees Health Association Box 463 Washington 4, D. C.
43	1 - 3	Group Health Insurance Board Panama Canal Company--Canal Zone Government Employees c/o Panama Canal Company Balboa Heights, Canal Zone
44	1 - 3	Special Agents Mutual Benefit Association 1720 Massachusetts Avenue, N.W. Washington 6, D. C.
50	1 - 6	Group Health Association, Inc. 1025 Vermont Avenue, N.W. Washington 5, D. C.
51	1 - 3	Health Insurance Plan of Greater New York 625 Madison Avenue New York 22, New York
52	1 - 3	AF of L Medical Service Plan 1326 Vine Street Philadelphia 7, Pennsylvania
53	1 - 3	Group Health Plan, Inc. 2500 Como Avenue St. Paul 8, Minnesota
54	1 - 6	Group Health Cooperative of Puget Sound 200 - 15th Avenue North Seattle 2, Washington

## ENROLLMENT CODE NO.

Carrier	Option and Type	Name and Address
55	1 - 3	The Bridge Clinic 1106 Summit Avenue Seattle 1, Washington
56	1 - 3	Western Clinic 1119 "A" Street Tacoma, Washington
57	1 - 3	Kaiser Foundation Health Plan of Oregon Attention: Mr. James Crockwell 5055 North Greeley Avenue Portland 17, Oregon
58	1 - 6	Physicians and Surgeons Association 420 Sutter Street San Francisco 8, California
59	1 - 6	Kaiser Foundation Health Plan, Inc. Northern California Region Attention: Mr. Arthur Reinhart 368 - 42nd Street Oakland, California
60	1 - 6	Pacific Health Plan Medical Group 1901 South Trinity Street Los Angeles 11, California
61	1 - 3	Ross-Loos Medical Group 947 West 8th Street Los Angeles 17, California
62	1 - 6	Kaiser Foundation Health Plan, Inc. Southern California Region Attention: Mr. James Vohs 223 North Vermont Avenue Los Angeles 4, California
63	1 - 3	Kaiser Foundation Health Plan, Inc. Hawaii Region Attention: Mr. Fred Carroll 1697 Ala Moana Honolulu 15, Hawaii
80	1 - 3	Group Health Insurance, Incorporated 221 Fourth Avenue New York 3, New York

ENROLLMENT CODE NO.

Carrier	Option and Type	Name and Address
81	1 - 3	North Idaho District Medical Service Bureau Breier Building Lewiston, Idaho
82	1 - 6	Seattle Letter Carriers Medical Service, Inc. 7547 - 16th Avenue, N.W. Seattle 7, Washington
83	1 - 3	Washington Physicians Service 1309 Seventh Avenue Seattle, Washington
84	1 - 3	National Hospital Association, Inc. 1501 S.W. Taylor Street Portland 5, Oregon
85	1 - 6	Ray E. Harris, M.D. and Staff Prepaid, Surgical and Hospital Service Plan 516 Sutter Street San Francisco 2, California
86	1 - 3	San Joaquin Foundation for Medical Care 445 West Acacia Street Stockton, California
87	1 - 3	Hawaii Medical Service Association Alsup-French Building 1154 Bishop Street Honolulu 8, Hawaii

UNITED STATES CIVIL SERVICE COMMISSION  
Washington 25, D. C.

May 6, 1960

DEPARTMENTAL CIRCULAR NO. 1024, SUPPLEMENT NO. 11

TO HEADS OF DEPARTMENTS AND INDEPENDENT ESTABLISHMENTS

SUBJECT: Federal Employees Health Benefits Program: Commission's Policy on  
Facilitating Choice of a Plan

1. PURPOSE

The Commission is receiving numerous inquiries concerning the availability and use of materials which compare and analyze the various health benefits plans. The purpose of this Supplement is to state the Commission's policy regarding the use of such materials; to explain the objectives which the brochures describing the various Plans are designed to serve; to define, in general terms, what the Commission considers to be the agencies' counselling responsibilities; and to state the extent to which the Commission and agencies can go in facilitating employees' comparisons and choices among plans.

2. BROCHURES

The Commission is now having printed and distributed to agencies brochures on all plans. These brochures, written in close collaboration with the carriers, explain the benefits each plan provides, limits, or excludes. They have been written as objectively as possible and without overly technical contract language, ambiguities, or sales talk. We believe that they contain sufficient information to enable employees to make an informed choice among plans.

The information in the brochures could have been presented in other and conceivably better ways. The nature of the plans themselves, and the following circumstances, however, placed definite limits on what could be done. For example: the complexity of some plans precludes short and simple explanations; terminology within the health benefits field is not standardized and varies considerably among carriers and among geographic areas; contract provisions (which have had to be precisely paraphrased in the brochures) vary among carriers because of their respective claims experience and because of the requirements of their State insurance laws. Brochures, regardless of how simply worded, must reflect the intent of the contracts because courts have upheld the individual's right to rely on the information contained in the brochure upon which he based his decision to join a plan.

These factors, among others, have ruled out the possibility of precisely parallel and uniform format and wording. They also serve to emphasize that the brochures and the manner in which they are worded have definite purpose and meaning which could be lost in further paraphrasing or condensing. It is important, therefore, that they be the primary documents upon which the employee bases his decision.

DC 1024, S11 (2)

### 3. COUNSELLING

The Commission expects that employees will have questions to which they will need answers and recognizes the size of the task agencies face in this regard.

Nevertheless, there are definite limits to which either the Commission or the agencies can and should go in informing and counselling employees, especially in the area of comparing plans. As important as providing the employee a basis upon which to make an informed choice is the Government's responsibility to remain completely accurate and objective in presenting plans and to preserve the employee's right to arrive at the choice himself. It is to this point that the following Commission policy is addressed.

The Commission believes that the agencies' counselling responsibilities during the period between now and July 1 should be limited to:

- (1) familiarizing employees with the program in general, and
- (2) answering questions about the application of specific provisions of the Act, the regulations, and the brochures to particular circumstances.

To the limit of its resources, the Commission will assist by trying to supply the answers to questions which are germane and of real and immediate significance.

### 4. USE OF SUPPLEMENTAL MATERIAL

Some agency representatives have suggested the use of case examples to demonstrate the extent to which plans will pay benefits. The Commission strongly urges agencies not to use case examples for this purpose for the following reasons.

Approximately 40 plans will be offered under the Health Benefits Program. These plans represent a variety of approaches to voluntary prepaid medical care: some plans are designed to emphasize coverage of hospital expenses, while others stress doctors' services in or out of the hospital; some emphasize first-dollar coverage of medical expenses, while others stress last-dollar coverage; some provide preventive care, while others cover illness or injury only. The use of case examples, therefore, could easily cast one plan in a favorable light while doing an injustice to others. In this event, employing agencies and the Commission would be subject to severe and warranted criticism from carriers and employees.

More important, however, is the probability of misleading employees with case examples. Future medical expenses can be predicted only on a statistical, not an individual, basis. It is impossible, therefore, to construct examples from which employees generally can draw accurate and realistic conclusions applicable to their future health care needs. Therefore, case examples, which

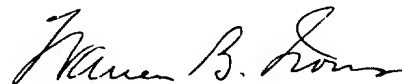
misrepresent or distort a plan's potential coverage, or any material which would tend to influence an employee's choice of a plan—in short, anything other than a straightforward presentation of the facts, should be avoided.

On the other hand, there is no objection to the use of hypothetical examples to explain or demonstrate a particular feature of a plan, such as a "deductible". The objection arises when case examples are used to suggest the adequacy of coverage of any given plan or to test the value of one plan against that of others.

It is also understandable that agency counsellors, to equip themselves to answer employees' questions, may want to compile columnar comparisons or other reference materials. The Commission's policy is not meant to preclude their doing so. It is important, however, that such comparative and analytical materials be accurate and that they be restricted to use by the counsellor. Materials of this type should not be distributed or shown to employees or otherwise be used to influence employees' decisions.

#### 5. SUGGESTED GUIDE FOR EMPLOYEES

On page 4 are some items that employees may want to consider before choosing among plans. The Commission intends to have similar items printed on the back of the list of approved plans to be distributed with the brochures. It is hoped that agencies will encourage each employee to read the brochures carefully, refer to the cited items if he wishes, and enroll in the plan of his choice.



Warren B. Irons  
Executive Director



## SOME SUGGESTIONS TO EMPLOYEES CHOOSING HEALTH BENEFIT PLANS

1. Read the brochures
  - all the way through
  - ask about any statement you think important but do not understand
  - use the "Benefits in Brief" pages for reference and to help you compare
2. Consider your present and probable future health care needs
  - young and growing family?
  - health problems of the middle years?
  - nearing retirement?
  - frequent travel or moves?
  - planning to leave this area permanently?
  - any special, known health problem?
3. Consider each Plan's provisions for
  - hospital room and board
    - how much; what limits; what provisions for more
  - doctors' services
    - what kinds; by whom; at what rates;
  - maternity care
    - what hospital benefits; what doctors' care
  - other services and supplies
    - what is included and excluded and to what extent and under what conditions.
4. Think about the importance YOU attach to such features as
  - choice of doctors
  - preventive care
  - locations at which care is provided
  - direct payment to doctor or hospital
  - coverage of expenses from the beginning of an illness
  - away-from-home and emergency services
  - benefits for specific conditions requiring long-term or other expensive care or treatment
5. Consider the costs - - in the light of your conclusions about
  - 1, 2, 3, and 4, above
  - what you can afford
6. Make your choice, and enroll promptly.

UNITED STATES CIVIL SERVICE COMMISSION  
Washington 25, D. C.

April 29, 1960

DEPARTMENTAL CIRCULAR NO. 1024, SUPPLEMENT NO. 10

TO HEADS OF DEPARTMENTS AND INDEPENDENT ESTABLISHMENTS

SUBJECT: Federal Employees Health Benefits Program: Distribution  
of Brochures

In Departmental Circular No. 1024, Supplement No. 9, agencies were informed that they could distribute brochures describing health benefits plans to employees as soon as they had received the brochures on all plans (except employee organization plans) which were available to their employees.

The brochures for the Government-wide indemnity benefit and service benefit plans have become available sooner than we originally anticipated. The last of the employee organization plan brochures will not come off the press until a later date. So that employees will have an equal opportunity to review brochures of all the plans in which they may participate, we are requesting agencies not to distribute to employees, brochures describing any plan until all brochures have been received by the agency, and until the brochures of employee organizations have been mailed by the Commission to employee-members.


On this basis, the distribution of brochures to employees should be made when the agency or installation has received brochures describing the two Government-wide plans, the brochures describing any comprehensive medical plan serving the area, and the stock supply of brochures of any employee organization plans in which membership is open to employees of the agency or installation. (Special distribution instructions will be given to the Post Office Department and to agencies with employee organization-sponsored plans which are open only to their employees.)

The service benefit plan brochure is not complete, and should not be distributed, until the Basic Surgical-Medical Benefits Folder containing information about the plan which is of local applicability has been received. These Folders are expected to be sent directly to installations within the next few days. Installations may be instructed to contact the Blue Cross-Blue Shield Office serving their area if they do not receive the Folders on a timely basis.

Brochures on hand must be distributed no later than June 1, 1960, even if all brochures and Folders have not been received by that time.

No change has been made in the method of distribution of employee organization brochures. They will be distributed by mail by the Commission. In addition, agencies will receive copies of these brochures to distribute to employees on request.

The instructions in this supplement refer only to distribution of brochures to employees. Agencies should continue to send brochures as available to their employing offices so that an immediate distribution to employees will be possible once all applicable brochures have been received.



Warren B. Irons  
Executive Director

UNITED STATES CIVIL SERVICE COMMISSION  
Washington 25, D. C.

April 8, 1960

DEPARTMENTAL CIRCULAR NO. 1024, SUPPLEMENT NO. 9

TO HEADS OF DEPARTMENTS AND INDEPENDENT ESTABLISHMENTS

SUBJECT: Federal Employees Health Benefits Program: Forms and Brochures

1. GENERAL

The Commission will soon make available to agencies (at no cost to them) Health Benefits Registration Forms (Standard Form 2809) and separate brochures on each of the approved plans.

2. INITIAL DISTRIBUTION

Distribution of these materials will be made to all agencies listed in the United States Government Organization Manual, 1959-1960. Shipment will be made in bulk to the headquarters of all agencies except that, in the case of some of the larger agencies, arrangements have been made to ship to a limited number of points in the field. The number of copies of Standard Form 2809 and of the brochures being distributed to agencies is based upon the number needed for initial distribution plus a six-month supply. If by June 1, 1960 an agency has not received copies of Standard Form 2809 and of the brochures it should have, it should contact the Commission's Central Office. The telephone number is DUDley 6-3640.

Headquarters of agencies have the responsibility for timely redistribution of Standard Form 2809 and brochures to all field installations. Field installations, in turn, are responsible for timely distribution of the materials to their employees.

Distribution of brochures to employees may be made as soon as an agency or installation has received all the brochures on the plans (except employee organization plans - see No. 5 below) available to its employees. However, even if all these brochures have not been received, distribution should not be delayed beyond June 1, 1960. If at all possible the brochures on all plans should be distributed simultaneously to employees and care should be taken to see that each employee receives a brochure for each plan that is available to him.

### 3. HEALTH BENEFITS REGISTRATION FORM - STANDARD FORM 2809

Shipment of Standard Form 2809 to agencies will start about April 22, 1960. The forms are serially prenumbered and arrangements have been made for shipment of batches of consecutively numbered forms to agencies: For example, Agency A would receive forms numbered 0,000,001 through 0,150,000. Redistribution of forms to individual installations should also be in batches of consecutively numbered forms: For example, installation X would be shipped forms numbered 0,000,001 through 0,025,000; installation Y would be shipped forms numbered 0,025,001 through 0,050,000. While the numbers on the forms are not control numbers, the use by an installation of a consecutively numbered batch of forms will facilitate the preparation, issuance, and distribution of identification cards issued by carriers. (See in this connection Supplement 8, dated April 1, 1960, to D. C. 1024)

In the discretion of the employing office, Standard Form 2809 may be distributed to employees at the same time as, or several days after, distribution of the brochures is made. Employing offices may start accepting from employees completed Standard Form 2809 on June 1, 1960. Employees should be encouraged to complete and file Standard Form 2809 as soon as they have had sufficient time to study the brochures and select a plan, rather than to wait until the last day (June 30, 1960) of the enrollment period. Prompt filing of completed Standard Form 2809 will tend to level out the registration work load in the agency and will facilitate timely handling of registrations by the carriers. (See Supplement 8, dated April 1, 1960 to D. C. 1024 for instructions governing processing of completed Standard Form 2809.)

### 4. GOVERNMENT-WIDE PLAN BROCHURES

Shipment of the Indemnity Benefit Plan brochures to agencies will begin about April 12, 1960. Shipment of the Service Benefit Plan brochures will be made shortly thereafter. Every eligible employee must receive a copy of the Commission's official brochures describing each of the two Government-wide plans.

With respect to the Service Benefit Plan, agencies and installations will receive directly from their local Blue Cross-Blue Shield plans, a supplemental folder containing information about the Service Benefit Plan which is of local applicability. These supplemental folders should be inserted in or otherwise distributed with the Commission's official Service Plan Brochure.

### 5. EMPLOYEE ORGANIZATION PLAN BROCHURES

Agencies will not make general distribution of brochures on employee organization plans to employees. Instead, the Commission will mail direct to each employee-member of an organization the brochure describing the plan of that organization. However, each agency will be supplied with a quantity of brochures of each employee organization plan to give to individual employees upon specific request therefor. Further, employee organizations are being authorized to purchase from the Superintendent of Documents additional copies of brochures describing their plans which the employee organization will have the responsibility of distributing.

6. COMPREHENSIVE MEDICAL PLAN BROCHURES

Agencies and installations of agencies located in an area served by a Comprehensive Medical Plan will receive from their headquarters or other designated shipping points brochures describing the comprehensive plans. Distribution of these brochures should be made to all employees within the agency or installation receiving them. Shipment of these brochures will, generally, be made after shipment of the Government-wide plan brochures has been completed.

7. REFERENCE SETS OF BROCHURES

Each employing office should maintain a complete set of brochures of all participating plans for reference purposes. The Commission suggests that these sets be made up at a central point or points within an agency and distributed to all employing offices.

8. BULLETIN BOARD POSTERS

The Commission will distribute to agencies, for redistribution to field installations, a poster listing all plans participating in the health benefits program. These posters should be prominently displayed on bulletin boards in all employing offices as soon as they are received.

A sufficient number of copies of this poster will be distributed to agencies for distribution by employing offices to every eligible employee at the time brochures are distributed.

Shipment of the posters to agency receiving points will be made as soon as possible.

9. OTHER STANDARD FORMS

Before July 1, 1960 the Commission will distribute standard forms (in addition to Standard Form 2809) for use by employing offices and payroll offices. These forms tentatively include:

Standard Form 2810 - Notice of Enrollment Action  
Standard Form 2811 - Health Benefits Transactions  
Standard Form 2812 - Withholdings and Agency Contributions

Since these forms are for use by all employing offices and all payroll offices, the forms and instructions concerning their use will be distributed in the same manner as distribution of Standard Form 2809.

10. MISCELLANEOUS

Each Commission regional office will maintain a limited supply of Standard Form 2809 and brochures for plans available to employees in that region. Individual field installations may draw from these supplies in limited quantities in the event of emergency.

An agency headquarters which in order to complete the initial distribution, needs large additional quantities of forms or brochures should contact the Commission's Central Office. Field installations needing large additional quantities of the forms or brochures should check back through their agency distribution channel established for shipment of health benefit program materials. Instructions concerning requisitioning of forms and brochures needed for the continued operation of the program after it is established will be issued later.



Warren B. Irons  
Executive Director